

Concepts in Action

Paradise Bakery & Café

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Number of Units: 35

Parent: Paradise Bakery & Café Inc.

(Privately held)

Paradise Bakery & Café has evolved over the years from a small cookie and muffin concept to a quick-casual concept with a full menu of sandwiches, salads, paninis, pastas, soups, cookies and muffins. The transition, however, did not come easy. The concept survived several owners and a bout with bankruptcy only to find itself back in the hands of its original owners in 1998, ready to be reborn. Below is a more detailed look at its expanded menu, which features:

- Breakfast Croissants and Platters
- Bakery-Fresh Sandwiches and Paninis
- Fancy Pizzas and Pastas

Inside the Menu

Paradise Bakery & Café is often compared to Panera Bread, but it stands apart in that it does not use a commissary. Menu items are prepared daily in-house. The concept is best known for its fresh bakery products, such as cookies (\$1.20), croissants (plain, \$1.95; fruit-filled, \$2.25; and ham & cheese, \$2.95), muffins (\$1.75), cinnamon rolls (\$1.90) and brownies (\$2.25). Its seven types of artisan-style breads include four levains (type of sourdough)—Rosemary & Olive Oil, Kalamata Olive, French, and Walnut Scallion—and challah, French baguette and pecan-raisin. Its bakery items help draw breakfast crowds. Its breakfast croissants and platters include:

- **The Baker's Bread Plate**—a petite baguette or your choice of three slices of any Paradise artisan-style bread, served with whipped butter and jam (\$2.50)
- **Quiche Breakfast**—a quiche muffin with spinach, Parmesan, Monterey Jack and Cheddar cheeses, served with a side of fruit salad (\$5.50)
- **Breakfast Croissant**—seasoned eggs, smoked honey ham and Swiss cheese (\$5.50)
- **Egg Breakfast Plate**—scrambled eggs with a choice of ham, mushroom, green onions, tomatoes, broccoli, Cheddar and Monterey Jack cheeses and cream cheese, served with a bowl of fruit and artisan-style bread (\$5.95)
- **French Toast Platter**—raisin challah soaked in a richly flavored batter then baked, served with real maple syrup and a bowl of fresh fruit (\$5.95)

Bakery-Fresh Sandwiches and Paninis

Paradise Bakery's sandwiches and paninis are made with the concept's crusty preservative-free breads or butter croissants. Every sandwich is served with a freshly baked "Big Cookie." All sandwiches are \$6.50 and paninis are \$6.75. Choices include:

- **Chicken Walnut Salad**—chicken salad served on Paradise's dark molasses wheat bread with mayonnaise, lettuce, sprouts and tomato
- **Turkey Cranberry**—roasted turkey served on Paradise's dark molasses wheat bread with mayonnaise, lettuce, tomato and cranberry sauce
- **Paradise Club**—ham, turkey and bacon served on a butter croissant with mayonnaise, Grey Poupon spread, a special marinade, lettuce and tomato
- **Southwest Chicken**—grilled chicken breast served on multi-grain wheat bread with chipotle mayonnaise, lettuce, tomato, avocado and jicama
- **Ham & Swiss**—honey-cured ham with Swiss cheese served on rustic wheat sourdough bread with mayonnaise, lettuce, tomato and Grey Poupon spread

- **Paradise Vegetarian**—avocado, Swiss and Cheddar cheeses and jicama on a multi-grain bread with lettuce, tomato, sprouts, mayonnaise, mustard and a special marinade
- **Chicken Ranch**—chicken breast served on homemade foccacia with ranch-flavored mayonnaise, lettuce and tomato
- **BBQ Beef & Cheddar Panini**—thinly sliced roast beef and melted Cheddar cheese with a 30-spiced barbecue sauce and sun-dried tomatoes
- **Ham & Brie Panini**—with thinly sliced green apples and honey-mustard sauce

Fancy Pizzas and Pastas

Paradise Bakery's fancy pizzas serve 1-2 people and take 10 minutes to bake. Its pasta entrees are served with a small mixed greens or Caesar salad and a slice of bread. Selections include:

- **Southwest BBQ Chicken Pizza**—topped with a 30-spiced barbecue sauce, roasted chicken, onion and green pepper, cilantro, Pepper Jack and mozzarella cheeses (\$8.95)
- **Vegetarian Pizza**—topped with Kalamata olives, artichokes, roasted vegetables, sun-dried tomatoes, basil and mozzarella and Parmesan cheeses (\$8.95)
- **Pepperoni & Sausage Pizza**—topped with pepperoni, Italian sausage, portobello mushrooms, basil and mozzarella and Parmesan cheeses (\$8.95)
- **Spinach Fettuccini & Sausage**—spinach fettuccini tossed in fire-roasted red pepper sauce and garnished with mushrooms, sausage and goat cheese (\$10.95)
- **Tomato Basil Linguini**—tomato basil linguini tossed in pesto sauce and garnished with sun-dried tomatoes and Parmesan cheese (\$9.95)
- **Portobello Ravioli**—ravioli made with a Portobello filling with shallots, roasted mushrooms reduced in sherry, tossed with Roma tomatoes, garlic, basil and Parmesan cheese (\$11.95)

Company Characteristics

The first Paradise Bakery & Café was opened in Long Beach, CA, in September 1976 as a simple shop offering only three types of cookies and three kinds of muffins. In 1981 soup, salad and sandwiches were added to the menu. Over the following 17 years its owners included Chart House from 1987 to 1997 then Java Centrale from 1997 to 1998, when Java filed for bankruptcy reorganization. In 1998 three of the concept's founders, brothers Dan and Mark Patterson and Carter Holmes, bought the concept back out of bankruptcy.

Today the full-fledged quick-casual chain boasts 30 company-owned units and five franchised outlets in seven states, including Colorado, Arizona, California, Oregon, Texas, Oklahoma and Florida.

The company plans to open 5-8 more units by 2003. It is also in the process of strategizing for the next five years. By 2007 it would like to be in a position to grow to a similar size as the 262-unit Panera Bread.

Units come in three sizes. The "street" prototype is a freestanding unit measuring 3,500-4,500 sq. ft. and seating about 100. "Downtown" units are in office districts and measure 2,500-3,500 sq. ft. and seat 75-100 diners. The mall-based units are generally 1,000-sq. ft. and situated on the corner of food courts, where its customers can sit. The decor of each prototype differs slightly, but all appear to have a cozy atmosphere with brick walls and glass cases showcasing the concept's breads and bakery items. Menu boards look like chalk boards trimmed with wood. Average annual unit volumes run from \$600,000 to \$3.3 million, depending on the size of the unit. Systemwide sales were around \$35 million for 2001. Checks average \$5 per person in the food court models and \$7.50 in the "street" model. Seventy percent of Paradise Bakery's customers are female.

Current management includes Dan Patterson, chief executive officer and president; Mark Patterson and Carter Holmes, executive vice presidents; David Birzon, vice president of operations; and Laurie Danks, chief financial officer.